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10 December 1951

MEMORANDUM FOR: [REDACTED]

SUBJECT: [REDACTED]

Reorganization Section

1. It would probably be very helpful if there were a three or four page summary - a sort of substantive atmosphere piece which dealt with the following four questions:

- a. The factual setting of 1948,
- b. The reasons for the Dulles Committee,
- c. The sense of the Dulles Report, and
- d. The sense of the Smith Reorganization.

2. The report should cover all 57 Dulles Recommendations either by listing, mentioning, or otherwise, as appropriate, and say that all have been covered.

3. Select the most significant of these for topical, chronological treatment, (i.e., (a) NSC-50, (b) two Hillebrandt Program Reports, (c) the situation October 1, 1950, (d) the situation December, 1951).

By "significant" is meant the result of balancing three criteria:

- (1) What the report treated as the most significant,
- (2) What the Agencies thought was most significant, i.e., NSC-50, and
- (3) What we now see to have been most significant.

4. After the Summary, the report therefore would be divided into two sections, (a) those recommendations which would be treated as in Paragraph 3 above (arranged logically), and (b) those of less importance which should be mentioned but disposed of by showing that they have been acted on, that no action is necessary, or that further experience has shown that the recommendation was not sound. Developments and arguments should be included as appropriate in each individual case. There are some of those in 3a above that have not been solved and it seems to us that these should be discussed further in Section 4, "Problems." These plus other problems uncovered since October 1950 will form the base line:

Approved For Release 2003/06/03 : CIA-RDP80R01731R003500120010-4

TOP SECRET

TOP SECRET

25X1

- 2 -

for taking off for the future such as the recommendations of the Dulles Report were the principal guides for 1950 and 1951.

OTHER SUGGESTIONS:

1. Omit contemporary CIA comments on the Dulles Report and NSC-50.
2. Modify the tone where it is unnecessarily damning.
3. Wherever appropriate delineate factually things which were positive accomplishments or running reasonably well pre-Dulles or pre-October 1950 even if they were not perfect, e.g., NSCIDs, NIS system, O/RE production, .
4. It would probably be better if NSC-50 material, where the NSC is speaking, could be quoted. Also at all times in the report it should be made clear who is speaking: the Dulles Report, NSC-50, etc., or General Smith now.

Attached is a listing of all the recommendations in the Dulles Report hastily grouped in accordance with the treatment they might be given (see above).

JAMES Q. REBER
Assistant Director
Intelligence Coordination

TOP SECRET

25X1

TOP SECRET

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25X1

ATMOSPHERE

Chapter II

(1) Section 102 of the National Security Act of 1947 establishes a framework for a sound intelligence system and no amendments to this section of the Act are deemed necessary at this time.

(2) The Central Intelligence Agency is properly placed in our governmental structure under the National Security Council.

(3) The Central Intelligence Agency should be empowered and encouraged to establish through its Director closer liaison with the two members of the National Security Council on whom it chiefly depends namely, the Secretary of State and Defense.

Chapter X

(1) The directing staff of the Central Intelligence Agency has not demonstrated an adequate understanding of the mandate of the organization of the ability to discharge that mandate effectively.

(2) Administrative organization and policies tend to impede the carrying out of the essential intelligence functions of the Central Intelligence Agency under the Act.

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TOP SECRET

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25X1

MENTION

Chapter III

(2) The present arrangements for handling the difficult budgetary questions of the Central Intelligence Agency are soundly conceived, and the Agency has not been hampered in carrying out its present responsibilities by lack of funds.

(3) To assist the Director in carrying out his statutory duty of protecting intelligence sources and methods he should, in cases where the disclosure of secret information is sought from him and he has doubt as to whether he should comply, refer the question to the National Security Council in order that it may determine whether or not disclosure is in the public interest.

(4) In the interest of security, the Central Intelligence Agency should increasingly emphasize its duties as the coordinator of intelligence rather than its secret intelligence activities in order to reverse the present unfortunate trend where it finds itself advertised almost exclusively as a secret service organization. In this way it can help to cover up rather than to uncover the secret operations entrusted to it.

(5) The placing in key positions of a large percentage of military personnel, many of them on relatively short "tour of duty" assignment tends to discourage competent civilian personnel from looking to employment in the Central Intelligence Agency as a career.

Chapter IV

(1) Mention and refer to Kirkpatrick's section on coordination
The responsibility of the Central Intelligence Agency under the National Security Act with respect to the coordination of intelligence activities, which is one of the most important ones assigned to the Central Intelligence Agency, has not been fully discharged.

(4) The Director of Central Intelligence should be made permanent chairman of the United States Communications Intelligence Board.

(6) The Intelligence Advisory Committee should consist of the Director of Central Intelligence and representative of the Departments of State, Army, Navy and Air Force and the Federal Bureau of Investigation. Other departments and agencies would sit as ad hoc members when appropriate.

(7) The Interdepartmental Coordinating and Planning Staff should be reconstituted as a staff responsible only to the Director of Central Intelligence, with the task of developing plans for the coordination of intelligence activities.

(8) Mention and say why not The responsibilities of the Office of Collection and Dissemination with respect to the coordination of intelligence requirements and requests and the dissemination of intelligence should be carried out under the new Coordination Division. This is subject to future determination of the extent to which individual Offices may conduct their own dissemination.

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TOP SECRET

TOP SECRET

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25X1

MENTION

Chapter VI

(2) The Coordination Division (reconstituted Interdepartmental Coordinating and Planning Staff) should be given the responsibility for studying the actual scope of the Research and Reports Division and for recommending those services of common concern which should be performed centrally.

(3) The propriety of the preparation by the Central Intelligence Agency of essentially political summaries should be reviewed, taking into consideration the need for such summaries, the existence of a number of duplicating summaries and the particular capabilities of the individual departments to prepare them.

(4) The various reports, studies and summaries which are not national intelligence or recognized services of common concern should be discontinued.

Chapter VII

(3) [Mention and kill] More active efforts should be made to exploit intelligence from foreign nationality groups and foreign individuals in the United States, and steps should be taken by the Director of Central Intelligence and the Intelligence Advisory Committee to coordinate the activities of the various agencies in this field.

(4) [Mention and carry to current] The Foreign Documents Branch should be made part of the proposed Research and Reports Division if one is created.

(5) If remains a part of the Central Intelligence Agency, it should probably be administered by the Intelligence Operations Division, but its product should be currently available for analysis in the new Research and Reports Division.

Chapter VIII

(2) [Mention and dispose of with a reason] Covert intelligence activities conducted by the Central Intelligence Agency and other agencies in occupied areas should be reviewed in order to effect close coordination.

(9) [Mention and say why not] The Office of Special Operations should exercise a greater measure of control over the dissemination of its own material.

(10) The Nuclear Energy Group should be moved from the Office of Special Operations to the proposed Research and Reports Division where it should be a part of the general scientific work.

(11.) The Office of Special Operations should have access to communications intelligence to the full extent required for guidance in directing its operations and for more effective conduct of counter-espionage.

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TOP SECRET

25X1

TOP SECRET

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25X1

SECTION

Chapter IX

(1) The close relationship between covert intelligence and covert operations and the fact that the latter is related to intelligence affecting the national security justifies the placing of the Office of Policy Coordination within the Central Intelligence Agency.

Chapter X

(3) Continuity of service is essential for the successful carrying out of the duties of Director of Central Intelligence.

(4) As the best hope for continuity of service and the greatest assurance of independence of action a civilian should be Director of Central Intelligence. If a Service man is selected for the post he should resign from active military duty.

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TOP SECRET

TOP SECRET

25X1

TREAT

Chapter III

(1) The centralization of all administration in one office is undesirable since secret operations require their own separate administration.

Chapter IV

(2) One of the important areas where more active efforts at coordination are needed is the field of scientific intelligence. (See Chapter VI)

(3) Another important area is that of domestic intelligence and counter-intelligence insofar as they relate to the national security. To improve coordination in this area and between it and the entire intelligence field, we recommend that the Federal Bureau of Investigation should be made a member of the Intelligence Advisory Committee.

(5) The Intelligence Advisory Committee is soundly conceived, but it should participate more actively with the Director of Central Intelligence in the continuing coordination of intelligence activities.

Chapter V Treat as one

(1) In the Central Intelligence Agency there has been confusion between the responsibility of producing coordinated national intelligence estimates and responsibility for miscellaneous research and reporting activities.

(2) The provisions of the National Security Act for the production of national intelligence estimates, as interpreted by the National Security Council Intelligence Directives, are sound but have not been effectively carried out.

(3) There should be created in the Central Intelligence Agency a special Estimates Division which would draw upon and review the specialized intelligence product of the departmental agencies in order to prepare coordinated national intelligence estimates.

(4) Under the leadership of the Director of Central Intelligence, most estimates should be submitted for discussion and approval by the reconstituted Intelligence Advisory Committee whose members should assume collective responsibility for them.

(5) Provision should be made in these arrangements for the handling of crisis situations when coordinated estimates are required without delay.

(6) Coordinated intelligence estimates produced in this way must, in order to be effective, be recognized as the most authoritative estimates available to the policy makers.

TOP SECRET

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25X1

TREAT

Chapter VI

(1) In addition to the Estimates Division recommended in the previous Chapter, there should be created out of the present Office of Reports and Estimates a Research and Reports Division to accomplish central research and coordinated production of, intelligence in fields of common interest. The staff of this Division should include sufficient representation from the State Department and the Services to insure that their needs are adequately met.

Chapter VIII

(1) Treat with Chapter 7 (2), Chapter 9 (2) and mention Chapter 7 (1). The covert operations of the Office of Special Operations and Office of Policy Coordination and the activities of the Contact Branch of the Office of Operations should be integrated, and the three operations should be brought together under single over-all direction (Operations Division) within the Central Intelligence Agency.

Chapter VII (2) The Contact Branch should be integrated with the Office of Special Operations and Office of Policy Coordination under single over-all direction (Operations Division) within the Central Intelligence Agency.

Chapter IX (2) The Office of Policy Coordination should be integrated with the other covert Office of the Central Intelligence Agency, namely the Office of Special Operations, and with the Contact Branch of the Office of Operations, and these three operations should be under single over-all direction (Operations Division) within the Central Intelligence Agency.

Chapter VII (1) The Office of Operations consists of three distinctive activities, which represent useful and recognized functions in their own field but have no particular relation to each other.

(3) Measures should be initiated within the Central Intelligence Agency looking toward better coordination of the handling of defectors, which concerns American intelligence agencies abroad as well as in the continental United States.

(4) The Office of Special Operations (or the new Operations Division) must give primary attention to the building up of a corps of trained personnel for operations abroad.

(5) The cover policies of the Office of Special Operations in the field should be generally reviewed and tightened. Continuous and systematic



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25X1

TREAT

Chapter VIII(cont)

(6) The counter-espionage activities of the Office of Special Operations should be increased in scope and emphasis, and closer liaison in this field should be established with the Federal Bureau of Investigation.

(7) Relations with departmental agencies should be brought closer, and the guidance which the Office of Special Operations receives from intelligence consumers should be strengthened. This might be achieved by including representatives of the Service agencies and the State Department in the Information Control Section of the Office of Special Operations.

(8) The Director should assure himself that the Office of Special Operations is receiving adequate information on the current and strategic intelligence needs of the Government. This might be achieved by establishing closer relations with the Secretaries of State and Defense.